***CAFR* Year-End Reporting Package Receipt Confirmation**

Dear State of Georgia Reporting Organization,

Below is a list of forms, which are included in the year-end reporting package available for download on SAO’s website. We have created our *CAFR* preparation schedule under the assumption that you will be able to provide us with the required forms by the listed due dates. For organizations receiving a financial statement audit from an independent CPA firm, the SAO encourages you to complete the forms but they are not required. For all remaining organizations you will be required to complete the forms applicable to the fund(s) in which your organization is included in the CAFR. <http://sao.georgia.gov/year-end-forms>

**Table of Contents for Year-End Reporting Package**

1. Confirmation of Receipt of Year-End Reporting Package
2. Introductory Comments
3. Year-End Closing Overview
4. Management Representation Letter
5. Forms available for download on SAO’s website at: <http://sao.georgia.gov/year-end-forms>
   1. Allowance for Doubtful Accounts
   2. Appropriations Receivable Reconciliation
   3. Capital Assets/Depreciation/Construction in Progress (CIP)
   4. Cash and Deposits
   5. CPA and DOAA Audited Cash and Investments
   6. General Information
   7. Interorganization Transactions (Due To/Due From Activity)
   8. Investments
   9. SEFA Reconciliation Form
   10. Lease Agreement Data
   11. Long Term Liabilities (Debt)
   12. Not Applicable Form
   13. Pollution Remediation (GASB 49)
   14. Post Closing Adjustments
   15. Deferred Outflows & Inflows of Resources and Nonexchange Financial Guarantees
   16. Revenue Based on Encumbrances
   17. SAMPLE Fund Balance Appropriated (BCR)
   18. Classification of Revenues (Statement of Activities)
   19. Service Concession Arrangements (GASB 60)
   20. Subsequent Events
   21. Subsequent Events – Single Audit
   22. Year-end Questionnaire
   23. Unrecorded Receivables & Payables

As per O.C.G.A. code citation §50-5B-4, Obligations of state government organizations with respect to the state accounting officer, all organizations of state government and all officers, agents, and employees thereof shall:

1. conform and comply with the rules, regulations, policies, procedures and forms devised, promulgated, and installed by the state accounting officer

and

1. submit statements, reports, information, and data necessary to enable the state accounting officer to complete the reports required in this Code Section and Code Section 50-5B-3.

**For details of which forms are required by organization and applicable due dates, please refer to the “Forms Due By Entity” file.**

Thank you for your assistance and please contact us if you have any questions.

Please return this form indicating you have received this year-end memo and are aware the year-end forms are available on SAO’s website to [SAO\_Reporting@sao.ga.gov](mailto:SAO_Reporting@sao.ga.gov) no later than **July 5, 2019**.

Submitted by:

Organization \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Email Address \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Name \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Phone # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**Georgia State Accounting Office**

**Statewide Annual Financial Reporting**

**Introductory Comments**

One of the most critical functions of the State Accounting Office (SAO) is the preparation and dissemination of the State of Georgia *Comprehensive Annual Financial Report (CAFR*). Federal grantor agencies, banks, bond rating agencies, insurance companies, governing boards, and taxpayer groups all rely on the information in the *CAFR* to assess the financial strength of the State. Producing the CAFR on time with a clean opinion plays a crucial role in the State maintaining its AAA bond rating.

These *Introductory Comments* have been prepared to explain the importance of statewide financial reporting, how the *CAFR* benefits the State of Georgia, and the role of every State organization in developing an accurate and timely *CAFR*.

Throughout the year, the State of Georgia accounts for its financial operations on the statutory basis of accounting, often referred to as the “budgetary basis.” This methodology provides for the recording, tracking, and reporting of government activities based on annual appropriations and budgets. The SAO produces the *Budgetary Compliance Report* each year summarizing the activities of appropriated agencies with comparisons to budgeted revenues and expenditures. However, the *Budgetary Compliance Report* does not include all of the assets and liabilities of the State, and therefore, does not meet the reporting requirements incorporated by generally accepted accounting principles (GAAP).

Just as publicly held corporations issue annual reports containing audited financial statements, governments issue audited financial statements in the form of an annual *CAFR*. The *CAFR* is the only statewide financial report issued by the State of Georgia prepared in accordance with GAAP. It incorporates the activities and accounts of every organization comprising the State of Georgia reporting entity, including its elected officials, government agencies, State courts, colleges, universities, and component units.

Reporting in accordance with GAAP ensures a consistent approach and allows for the comparison of Georgia’s statewide financial information against the data reported by other governments. GAAP-based reporting requires full disclosure of the matters that impact a government’s financial position and economic condition, including its resources, commitments and contingencies. GAAP reporting requirements define the reporting entity and set the parameters for determining which organizations comprise the State of Georgia reporting entity for financial reporting purposes.

To get a better understanding of the Georgia *CAFR*, readers are encouraged to review the 2018 report, which is available to the public at no cost. Georgia’s 2018 *CAFR* is over 300 pages in length and can be viewed or downloaded by clicking on the following link:

<https://sao.georgia.gov/sites/sao.georgia.gov/files/related_files/site_page/2018-CAFR.PDF>

Preparation of the 2018 Georgia *CAFR* involved a consolidation of over a hundred organizations and funds to present a single unified set of statewide financial statements. Compiling this information is a massive undertaking requiring the involvement of financial managers in every organization of Georgia State government. Some of these organizations may issue organization financial statements prepared in accordance with GAAP, but many do not.

2019 will again require a significant investment of time and resources in order to prepare the *CAFR*. The role of the State Accounting Office is to:

1. Obtain financial information from organizations that do not submit audited financial statements;
2. Compile financial information from organizations that do submit audited financial statements;
3. Eliminate all of the internal activity between State organizations;
4. Prepare the adjustments, footnotes, and analyses required to produce financial statements in compliance with GAAP;
5. Convert financial information prepared on the budgetary basis to the GAAP basis;
6. Produce the audited *CAFR* and *BCR* reports.

Each of these steps requires a significant level of assistance from the organizations that comprise the *CAFR*. SAO creates the state level financial statements based on information in TeamWorks and other sources**.** To help ensure a successful 2018 reporting season, SAO management will closely monitor the submissions of year-end forms and other necessary information required to complete the CAFR. The office will report any areas of concern to agency management and OPB.

**The role of each organization is to:**

1. **Be accountable for the financial statement information in TeamWorks and/or other sources;**
2. **Ensure that any data submitted to the SAO for inclusion in the *CAFR* is accurate and reliable;**
3. **Take responsibility for ensuring that the SAO, as well as the Department of Audits and Accounts, is informed of any issues, problems, or developments that could impact the accuracy of the *CAFR*;**
4. **Submit all required information, disclosures, requests and forms on time. As per O.C. G.A. code section 50-5B-4, all organizations of state government and all officers, agents, and employees thereof shall conform and comply with the rules, regulations, policies, procedures, and forms devised, promulgated, and installed by the state accounting officer. In addition, all organizations of state government shall submit statements, reports, information, and data necessary to enable the state accounting officer to complete the reports required under Code Sections 50-5B-4 and 50-5B-3.**

SAO’s target for this year is to **issue the 2019 *CAFR* before December 31st,, 2019.** SAO continues to make enhancements to the *CAFR* process with the goals of achieving this date and improving the accuracy and timeliness of Georgia’s year-end financial reporting. These improvements include:

* Annual review and updates to the forms and instructions used to obtain organization financial information to improve their clarity and the accuracy of submitted data;
* Providing updated online year-end training videos for the majority of the year-end forms;
* Establishing detailed timelines with critical milestones for both the organizations and the SAO to ensure the project is properly planned and the workload can be distributed over the *CAFR* preparation period.

**Management Representation Letter**

Please prepare a version of the letter included in 2019 Year End Representation.doc, included in the reporting package, on the reporting organization’s letterhead. **Return the completed letter once all files, financial statements and forms have been submitted to SAO (no later than 11/15/2019).** This letter can either be faxed to 404-463-5089 or scanned and emailed to SAO\_Reporting@sao.ga.gov.